

**U.S. House of Representatives
Committee on the Judiciary**

**Constitutional Solutions to our Escalating National Debt:
Examining Balanced Budget Amendments**

Representative Mike Coffman (CO-06)

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Chairman Goodlatte, Ranking Member Conyers, Members of the Committee:

Thank you for allowing me to present my views on the need for a Balanced Budget Amendment. As some of you know, my involvement in the Balanced Budget Amendment Caucus stems from my time as a freshman Member of Congress and is predicated on my belief that the financial crisis in Greece and throughout much of Europe should serve as foreshadowing as to what could occur in this country if we do not get runaway spending under control.

A government of the people, by the people, and for the people is one that is responsible with the people's money, and a responsible government does not spend any more on necessary government than it collects through a taxation system that maximizes economic growth, jobs, wages, family income and overall prosperity for working people. The current culture of reckless borrowing and spending in Washington, perpetuated by both parties, has placed our nation's future in jeopardy. Our leaders need to be held accountable for their dangerous spending addiction.

Our national debt is more than \$17 trillion, having more than doubled in the past ten years, and our current annual budget deficit is over half a trillion dollars.

If these numbers do not improve, the national debt will soon exceed 100 percent of gross domestic product (GDP), meaning the Federal government will owe more than the entire value of the American economy. According to analysts at the Congressional Budget Office, the national debt is now 74 percent of the country's GDP. And over the next two decades, every family's portion of the national debt will be \$250,000. No nation can endure such reckless spending.

Balancing the Federal budget is not a wild-eyed dream. It can be done. We know because we balanced the budget in the 1990s for four straight years without raising taxes. A Democrat President and a Republican Congress came together in bipartisan fashion to do what could not be done by so many elected leaders in years past.

The key to achieving these balanced budgets in the 1990s was adhering to the principle that the budget would be balanced through spending reductions, government reforms, and the adoption of

incentives that reward work, savings and investment - all without raising taxes. We can balance the budget again today if we adhere to the same principle.

Both political parties are to blame for increasing the debt. This is a bipartisan problem and it requires a bipartisan solution. And in my view, the only solution is to hold Congress' feet to the fire with a Constitutional Amendment requiring that they, like every family and nearly every state in the country, balance their budget. Without a Constitutional Amendment, this becomes an election year issue and an empty campaign promise.

I know this is a tall order. Amending the Constitution is a long, arduous task and I applaud Chairman Goodlatte, a member of the Balanced Budget Amendment Caucus, for his dedication to this issue. I believe our national debt is pushing our country off a financial cliff and it's extremely encouraging to hear that more and more of my colleagues in the House of Representatives recognize the very serious threat of Washington's reckless, out-of-control spending.

Balanced budgets, declining Federal debt, lower taxes, low interest rates, and government reform is a recipe for prosperity. It's not a secret. This is what we did to achieve prosperity in the 1990s. We can do it again.

A Constitutional Amendment requiring a balanced budget is critical because our current fiscal imbalance threatens our future prosperity, national security and even the American dream itself. Consider this: the largest foreign holder of our national debt is the People's Republic of China. It has become almost cliché to quote former Chairman of the Joint Chiefs of Staff, Admiral Mike Mullen, who said that the greatest threat to our national security is the national debt. This is because as a larger share of U.S. debt is held by foreign governments, those governments will have an increasing ability to influence U.S. policy. Arguably, we're selling our freedom, the very freedom that so many of our young men and women have paid the ultimate sacrifice to protect, in order to finance a spending addiction.

That is why I am so committed to this issue, and that is why I am so grateful to this Committee for holding this hearing.

Thank you.